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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D., 1938.

No. 51

ARMSTRONG PAINT AND VARNISH WORKS,
Petitioner,

vs.

NU-ENAMEL CORPORATION, an Illinois Corporation,
and

NU-ENAMEL CORPORATION, a Delaware Corporation,
Intervener, *Respondents.*

WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS
FOR THE SEVENTH CIRCUIT.

REPLY BRIEF FOR PETITIONER

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GEORGE I. HAIGHT,
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Errors in the Respondents' Brief.

It is our purpose to answer in order the arguments advanced in the brief of the Respondents. It is necessary first, however, to point out errors and omissions in that brief.

It is said on pages 2 and 3, and constantly repeated

thereafter, that the mark complained of is NU-BEAUTY ENAMEL. The Petitioner's mark is NU-BEAUTY or ARMSTRONG NEW BEAUTY. The word "enamel" appears only when the product is enamel. Respondents do not deny this.

To emphasize that the Respondents' brief begins on a false premise or misleading statement, we insert herein portions of exhibits of record. The reproduction immediately below is from a can of the Petitioner's varnish (Defendant's Exhibit H, R. 72.)



The reproduction below is from an advertisement for Petitioner's furniture cream, upon which product the mark NU-BEAUTY was first used. (Defendant's Exhibit E, R. 72.)



A can of enamel was labeled "enamel." No one can successfully complain of that.

So at the outset the question of infringement is wrongfully put by the Respondents, contrary to the testimony of Respondents' president.*

The Trade Mark Act of March 19, 1920, involved in this case, is said by Respondents to incorporate by reference certain sections of the Trade Mark Act of February 20, 1905. These sections the Respondents purport to set forth in the appendix to their brief. The most pertinent section is omitted. It reads as follows:

"* * * Provided, That no mark which consists merely in the name of an individual, firm, corporation, or association not written, printed, impressed, or woven in some particular or distinctive manner, or in association with a portrait of the individual, or merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, or merely a geographical name or term, shall be registered under the terms of this subdivision of this chapter: * * *"

(Sec. 85, Par. b, 15 U. S. C. A.).

Respondents' brief (p. 2) states, "The Delaware Corporation intervened and the action proceeded with that corporation as plaintiff." That is not the fact. The

* Mr. Lloyd, president of Respondent, who signed and swore to the bill of complaint herein which stated that (E. 3) "Defendant, Armstrong Paint & Varnish Works, within the last few months has put upon the market paints and varnishes which it sells under the designation 'Nu-Beauty Enamel'", testified (R. 41) that he had never seen a can of paint or can of varnish manufactured and sold by the Armstrong Paint & Varnish Works or any other Company with the label 'Nu-Beauty Enamel' on it. The only product of Petitioner in the record and in evidence herein on which the word "enamel" appeared, was the product known as enamel.

action proceeded with the Illinois corporation continuing as plaintiff and with the Delaware corporation as intervenor. (Order of January 11, 1937 (R. 25).) The Illinois corporation was still in existence when this case was tried.

Counsel for Respondents, in commenting on the testimony of their witness, W. J. Nelson*, make the following statement (p. 26):

"It may be said in passing that none of these statements was denied. Mr. Goldsmith, Petitioner's president, Mr. Van Antwerp, its vice-president and sales manager, and Mr. Sappington, assistant sales manager, testified, and did not deny any of them."

While the testimony referred to is all incompetent, we call the Court's attention to the fact that the above statement is contradicted by the record. The statements of Nelson referred to were specifically denied by Mr. Goldsmith (R. 88 and 89), by Mr. Van Antwerp (R. 91), and by Mr. Milton C. Fisher (R. 78).

The Respondents' argument that there is no difference between trade mark infringement and unfair competition leaves the Circuit Court of Appeals without support and ignores the bill of complaint.

Nowhere in Respondents' brief is any attempt made to support the decision of the Circuit Court of Appeals herein (R. 135) (95 Fed. 2d, 448). In fact, it appears

* In discussing all of this incompetent testimony, counsel for Respondents have neglected to apprise this court that the record discloses that Nelson, at his own solicitation, entered the employ of Petitioner in May, 1935, five months after the suit herein was filed, that he had just previously thereto been employed by Respondents, and that at the time he testified was employed by Respondents as sales promotion manager (R. 62, 63, 67).

from the brief that the grounds on which the Circuit Court of Appeals in its opinion based its reversal of the decree of the District Court are entirely abandoned. No contention is now made that "Nu-Enamel" is not descriptive. Instead, Respondents have embarked upon the new and novel theory that the mere registration under the Trade-Mark Act of 1920 gives validity to a mark otherwise invalid both at common law and under the Trade-Mark Law of 1905.

Respondents' argument (brief page 9) that there is no legal difference between infringement of a trade-mark and the common case of unfair competition has no application to the issues in the present case. The pleadings raise no issue of unfair competition. The bill of complaint states (R. 2), "This is a suit arising under the Trade-Mark laws of the United States". Trade-mark infringement by the asserted resemblance of Petitioner's mark to "Nu-Enamel" is the *only charge made*. It is, therefore, incumbent upon Respondents to prove both the existence of a trade-mark *valid under the Trade-Mark Laws of the United States* and that said trade-mark has been infringed by Petitioner. There is neither a valid trade-mark nor infringement of a valid trade-mark. The situation herein is the same as in *Trinidad Asphalt Co. v. Standard Paint Co.* (C. C. A. 8), 163 F. 977, where the court said (981):

"We discover nothing in defendant's conduct justifying the charge of unfair competition. In the last analysis the charge rests solely on the use of the word 'Rubbero' and similarity thereof to 'Rubberoid' or its equivalent 'Rubberoid'."

So in the case at bar, to paraphrase the above language, in the last analysis, the charge rests solely on the use of

the words "Nu-Beauty" and "Enamel" and the asserted similarity thereof to "Nu-Enamel".

We quote again from the language of this court in affirming the decision of the Circuit Court of Appeals (*Standard Paint Co. v. Trinidad Asphalt Co.*, 220 U. S. 446, 461):

"The only imitation by the Asphalt Company of the roofing of the Paint Company is that which exists in the use of the word 'rubbero'; and this only by its asserted resemblance to the word 'ruberoid'. To preclude its use because of such resemblance would be to give to the word 'ruberoid' the full effect of a trade-mark, while denying its validity as such."

Nu-Enamel is Not a Trade Mark.

The Respondents' brief (p. 12) teaches that the "Federal trade-mark statutes do not involve the substantive law." Yet, beginning on page 11, the argument is advanced that since NU-ENAMEL is registered under the 1920 Act, it is a good mark. Support is not found for the mark as a good trade-mark apart from the Federal statutes. Counsel confuse a trade-mark with a trade name. In our original brief (pp. 13 and 18) it was argued that NU-ENAMEL is descriptive and incapable of monopolistic appropriation. Respondents no longer contend otherwise. The cases cited on pages 11 and 12 of Respondents' brief define a valid trade-mark. Not every mark or name which indicates origin is a trade-mark. Every proprietor's name is a mark of origin, but not a trade-mark, particularly when comprised of a trite adjective and a common noun.

7

Registration Under the Act of 1920 Imparts No Validity or Presumption of Validity.

Respondents' brief states (p. 13) that one of the purposes of the Act of 1920 was to permit registration of descriptive terms functioning as trade-marks which have been in use for one year. Further (p. 16) it is said that the "B" register provided by the Act of 1920 is analogous to the ten-year proviso of the Act of 1905.

The legislative history of the Act of 1920 is then discussed in support of these statements. The decisions of the courts as to the purposes of the Act of 1920 are ignored.

As we point out in our original brief (p. 14), the language of Section 1 of the Trade-Mark Act of 1920, and of paragraph b of Section 5 of the Trade-Mark Act of 1905, which it specifically incorporates by reference, is clear, concise, and unequivocal. Paragraph b specifically provides that

"No mark which consists * * * merely in words or devices which are descriptive of the goods with which they are used, shall be registered * * *."

Counsel for Respondents ignore completely the above provision, or any reference thereto. They ignore also the fact that the above provision has by judicial construction been held to apply to the Act of 1920 in *In re Chas. R. Long, Jr. Co.*, (C. A. D. C.), 280 F. 975 (cited and quoted from in Petitioner's brief (p. 14), and in *Charles Broadway Rouss, Inc. v. Winchester Co.*, 300 F. 706 (C. C. A. 2) (Certiorari denied, 266 U. S. 607), cited and quoted from in Petitioner's brief (p. 17). In the latter case the court also said (713):

"The purpose of Congress in its enactment is evident, when one considers it in the light of the report

of the Senate committee on patents to which the bill was referred. That committee, in recommending the passage of it, stated in its report:

"This legislation has no effect on the domestic rights of any one. It is simply for the purpose of enabling manufacturers to register their trade-marks in this country for the purpose of complying with legislation in foreign countries, which necessitates registration in the United States as a necessary preliminary for such foreign registration. * * *

In view of the lack of ambiguity in the statute, and the judicial pronouncement of its purpose, the legislative history set forth in detail in Respondents' brief is not pertinent. Such history cannot be considered for the purpose of changing and doing violence to the clear and unequivocal language of the Statute, and particularly to eliminate therefrom entire sections which by reference are specifically included therein.

Respondents contend for a construction of the Trade-Mark Law of 1920 which would in effect constitute a repeal of the Trade-Mark Act of 1905 and which would, in effect, permit one who does not have a valid trade-mark either under the common law or under the Trade-Mark Law of 1905, to register said mark under the 1920 Act, and by virtue of the mere act of registering, claim a good and valid trade-mark. Such a construction constitutes a *reductio ad absurdum*.

Respondents' application for its trade-mark under the 1905 Act was refused because the words "Nu-Enamel" were descriptive of the product. It then registered its mark under the 1920 Act (Petitioner's Brief p. 5) (R. 32, Plff's. Ex. M). An identical and parallel situation was present in *Sleight Metallic Ink Co. v. Marks*, 52 Fed. (2d) 664, (D. Ct. E. D. Pa.), in which the Court said (665):

"The first question is as to the plaintiff's rights in

the word 'Metallic' as a technical trade-mark. It has been noted that the plaintiff was refused registration under the act of 1905. The effect of registration under the act of 1920 is fully considered in *Charles Broadway Rouss, Inc. v. Winchester Co.* (C. C. A.), 300 F. 706, and the conclusion reached that registration under the act of 1920 does not give the registrant even a *prima facie* title to the word as a trade-mark or trade-name. The statement of the committee, in recommending passage of the bill, was that the act would have no effect upon the domestic rights of any one. I accept the view of the scope of the act of 1920 taken by the court in the *Rouss* case. The plaintiff's case, therefore, stands entirely upon the plaintiff's common-law rights, as though there had been no registration at all."

In this connection, counsel for Respondents state (p. 18) that "Nu-Enamel is regarded even by Petitioner as a trade-mark", referring to R. 76. We fail to find in Record page 76, or anywhere, any basis for this statement. Even if true, the fact that Petitioner or any other than a court of competent jurisdiction regards "Nu-Enamel" as a trade-mark cannot give it validity.

The Court's Only Jurisdiction Is to Determine Trade-Mark Validity and Infringement.

In Respondents' brief (p. 20) it is said: "Jurisdiction once attaching, the court has power to decide all questions involved." This is followed by the statement: "When by virtue of the registration the Federal Courts have authority to act, they have authority to deal fully with all aspects of the case."

We submit that the above is not a correct statement of the law here applicable. Nor is it supported by the partial quotation in their brief (p. 20) from *Vogue Co. v. Vogue Hat Co.*, 12 Fed. (2d) 991. On the contrary, the

court in the *Vogue* case, which involved a valid trade-mark, sustains the proposition contended for by Petitioner that the trade-mark must first be held valid before a Federal Court can retain jurisdiction over the non-Federal question. We quote the following statement from the *Vogue* decision, p. 995, omitted by counsel for Respondents:

"In the patent—unfair competition cases the plaintiff must first show the existence of the valid patent; but, while the court has jurisdiction to hear this question, it has none to go further until the first point is established; only then may it consider whether the right has been infringed. In constitutional cases, there is no preliminary question; the general federal jurisdiction exists, and we come at once to the question of injury to the right. There is at least some analogy in cases depending on diverse citizenship. The plaintiff or the removing defendant must show that fact, and the court has a preliminary jurisdiction to determine whether that fact exists; but if it is found not to exist, that is the end of the case, while if it does exist, the court goes forward and considers all questions involved."

The jurisdiction of a Federal Court which attaches on the mere registration of a trade-mark, is the preliminary jurisdiction only to determine the validity of the trade-mark, which jurisdiction the District Court did exercise herein (Conclusion of Law No. 2, R. 109). Where the trade-mark is found to be invalid, there does not exist that substantial Federal question which this Court said in *Hurn v. Oursler*, 289 U. S. 238, will carry with it jurisdiction to determine a non-Federal question. As we have pointed out in our original brief (p. 30), the present case is analogous to that part of *Hurn v. Oursler* which involved the *uncopyrighted portion of the play*.

The *Oursler* decision makes very clear the distinction

ended for by Petitioner. In that case the original charged "violation of the copyright laws" and "unbusiness practices and unfair competition". (p. 239) amended bill added the charge that as to an uncopied version of the play there was "unfair competition" (p. 248). *Infringement of a valid copyright* was found; but the Federal right and a substantial Fed-question were recognized. This gave jurisdiction, in the absence of diversity of citizenship, over the unfair competition charged in respect to the valid copy-

at where there was no copyright, the Court held that Federal courts were without jurisdiction over the ~~valid issue~~ of unfair competition (p. 248). A trade-mark that is invalid is as impotent to support jurisdiction of a Federal court (in the absence of diversity of citizenship) over unfair competition as is the lack of a copyright.

The jurisdiction given by registration can apply only when there was something to register. Registering nothing creates nothing, either substantively or adjectively. As wholly nugatory as the failure to deposit or mark a copyright.

Further, in the *Oursler* case unfair competition was denied. The only charge in the instant case is that "Beauty" simulated "Nu-Enamel".

Waterman v. Gordon, 72 F. (2d) 272, cited and quoted in Respondents' brief (p. 20), involved a trade-mark which the Court held *valid under the Trade-Mark Laws of the United States* and is, therefore, not in point.

Furthermore, the distinction contended for by Petitioner is recognized in the *Waterman Case* in the following comment by the Court on the *Hurn Case* (p. 274):

"The result would have been otherwise had the suit on the statutory copyright been too unsubstantial to invoke any initial federal jurisdiction."

The Evidence Referred to, if True, Does Not Establish Infringement.

In their brief (p. 22) Respondents state that infringement is established by the evidence. Under this heading are set forth alleged acts not put in issue by the bill of complaint, which, as we pointed out in our original brief (p. 25), contains only an allegation that Respondents' alleged registered trade-mark "Nu-Enamel" has been infringed by Petitioner's use of "Nu-Beauty Enamel". No other act or acts whatsoever were charged or alleged. Nowhere in their brief have counsel for Respondents met or answered this vital and important question. Nowhere in their brief is it pointed out where in the bill of complaint there is any allegation of unfair competition or of an act or acts from which unfair competition might be inferred. The District Court, therefore, properly disregarded all of the testimony referred to in respondents' brief under this section (pages 22 and following):

We again quote from *Richmond Remedies v. Dr. Miles Medical Co.*, 16 F. (2d) 598 (Petitioner's brief p. 33):

"We cannot surrender our own judgment in this matter because others may be of a different opinion or because it happens in isolated instances that some purchaser was so careless as not to detect the difference."

The above statement is unusually applicable herein in view of the fact that the *isolated instance* in the record of confusion of a *bona fide* customer is that of Dr. Teschan referred to in Respondents' brief (p. 28), and there was no passing off as far as the doctor was concerned.

He testified that he "asked for a half pint can of ivory enamel" (R. 44).* What he bought was a can of enamel with the "Armstrong New Beauty" label on it. As Respondents state in their brief (p. 29), "The friend spotted the can and said: 'Why this is not Nu-Enamel, it is New Beauty Enamel'."**

The other alleged instances of passing off referred to on page 30 of Respondents' brief applied to witnesses, not one of whom was confused (R. 47-62). They were all paid shoppers, paid by Respondents, who were told to accept anything that was given to them, and *in each and every instance the witness knew that he or she was not getting a can of "Nu-Enamel"*.

Respectfully submitted,

GEORGE A. CARPENTER,

GEORGE I. HAIGHT,

MOSES LEVITAN,

Counsel for Petitioner.

* Counsel for Respondents in their brief (p. 28) following their studied plan of avoiding the use of the word "enamel" when referring to petitioner's product, state that this witness "bought a can of paint".

** The testimony of Dr. Teschan on this point is as follows (R. 44): "He (Seifert) spotted immediately that this was New-Beauty enamel."